

**Comments of the Greater New Orleans Housing Alliance (GNOHA)
to the Louisiana Department of Environmental Quality
Clean Power Plan Listening Session
31 March 2016**

INTRODUCTION

Good morning and thank you for giving me the opportunity to provide comments on the Clean Energy Incentive Program, proposed as part of the Clean Power Plan. These comments are presented on behalf of the Greater New Orleans Alliance, the group responsible for HousingNOLA. A 10-year plan to address affordability in housing for all citizens of New Orleans. Hurricane Katrina and Rita and the subsequent levee system failures destroyed more than 275,000 homes and disrupted countless lives across the Gulf Coast. For the past 10 years, passionate residents and organizations have been working to rebuild their homes and neighborhoods to create a more equitable and resilient New Orleans. In 2014, the Foundation for Louisiana's TOGETHER Initiative convened a group of residents and non-profits to develop strategies for improving housing policies and increasing equity in New Orleans. What emerged from the TOGETHER Initiative was a desire to build upon community engagement efforts since 2005, moving beyond recovery and looking to the future of housing and neighborhoods in New Orleans. *HousingNOLA* grew out of these discussions.

HousingNOLA is a process and a plan for New Orleans to achieve affordability in housing at all levels. The *HousingNOLA* initiative, led by GNOHA will continue to engage residents and key stakeholder groups in a community-led process over the next 10 years. *HousingNOLA*'s first deliverable is a strategic plan intended to guide for nonprofit, government, and the private sector to create equitable, sustainable and affordable homes for all New Orleanians.

HousingNOLA recommends that GNOHA coordinate with local stakeholders as a part of the Energy Efficiency For All (EFFA) coalition, a national collaboration to promote energy efficiency policies in multifamily and affordable housing. The EFFA cohort regularly coordinates with the Natural Resources Defense Council (NRDC), National Housing Trust (NHT), and the Energy Foundation (EF). I am here today to inform the Department of Environmental Quality that New Orleans has a plan for affordability and that must include energy efficiency. I echo the comments of the Natural Resource Defense Council (NRDC) urge the Department of Environmental Quality (DEQ) to:

1. Commit to implementing the Clean Energy Incentive Program (CEIP); and
2. Focus incentives on the hard-to-reach low income housing sector.

To understand where New Orleans is headed over the next decade, we have to understand the dramatic changes the city has seen over the past 10 years. *HousingNOLA* first examines the current state of housing in New Orleans by highlighting key data points that illustrate changing demographics, decreasing affordability, and the increasing demand for housing throughout the city. This report builds off of the lessons learned from citywide plans produced over the last 10 years by providing a comprehensive chart detailing what has already taken place or is currently underway in terms of improving the state of housing in New Orleans. *HousingNOLA* is a housing plan, but it also takes into account the importance of cross-sector collaboration with existing plans and initiatives that help to improve resident's quality of life.



The report also details the current housing issues at hand by defining affordable housing in New Orleans, and exploring New Orleans affordability crisis for renters and homeowners. Next, the report introduces a neighborhood-focused analysis tool, called the *HousingNOLA* Neighborhood Typologies, which serves as a framework for creating policy initiatives and housing programs that are tailored to the affordability, sustainability, and accessibility of each neighborhood.

The *HousingNOLA* Policy Priorities section is divided by the initiative's five goals: preserve existing supply and expand the total supply of affordable rental and homeownership opportunities throughout New Orleans; prevent future displacement through development activities and continued study and policy review; enforce and promote fair housing policies throughout New Orleans; increase accessibility for all, including residents with special needs.; and finally encourage sustainable design and infrastructure for all New Orleanians.

In 2014, 74% of Entergy customers reported having difficulty paying their energy bill. While New Orleans energy rates are comparatively low to the rest of the country, bills are the highest in the nation as a result of high consumption. Low-income households are more affected by unpredictable costs, and the average household in Louisiana spends 44% more of their salary on electricity than the national average.ⁱ GNOHA and housing advocates recognize this is a problem for New Orleans residents across the board. Going forward, sustainable design best practices should be implemented; sustainable design ensures that a housing unit provides a healthy living environment, efficient use of resources over time and access to city benefits. Construction guidelines for developers and building officials include Enterprise Green Communities, National Association of Home Builders National Green Building Standard, US Green Building Council's Leadership in Energy and Environmental Design (LEED) building rating system, and Energy Star for Homes, all of which offer certifications.

Utility costs have a direct impact on housing affordability. The amount of energy used is one of the only factors that renters can control by (i.e., turning off the thermostat). By reducing the operating expenses through energy saving requirements and measures, developers will be able to maintain reasonable rents over the lifecycle of the rental units, and divert long-term savings to resident services and building maintenance.

New Orleans is a leader in solar penetration per capita. As a result of policies like state and national tax credits, no cap on the number of solar customers allowed, and leasing programs that make solar available to low-moderate income homeowners, clean energy has taken hold. The future of rooftop solar in New Orleans is uncertain, however, as a result of the state tax credit's early sunset. Solar is also not available to those residents in New Orleans who rent, but a Community Solar program would allow anyone to choose clean and affordable electricity. We would hope that New Orleans City Council Utility Committee would create such a program with the electric utility, to encourage further adoption of solar. Community-owned generation distributed throughout the city also offers resiliency benefits following storms.

While historic homes and neighborhoods are increasingly popular for renovation and sale, old homes pose additional challenges for maintenance and energy savings. New Orleans historic homes were built before electricity or air conditioning, so adapting these homes to modern technology can be challenging and

expensive. Heating, Ventilating, and Air Conditioning (HVAC) make up half the energy bills in New Orleans, with historic structures more likely to lose energy. Nearly 40% of our housing stock was built before 1950. Residentially, Louisiana ranks 3rd respectively in terms of consumption and consumption per capita basis out of 51 states and territories.ⁱⁱ This ranking specifically correlates with the inefficiencies of our housing stock and wasted dollars Louisiana residents spend on utility bills.

In closing, I would like to thank you again for allowing me to be here and urge you to move forward with Clean Energy Incentive Program, proposed as part of the Clean Power Plan. Across the United States, 48% of renters are considered cost burdened, paying more than a third of their income towards housing costs. In New Orleans, 55% of renters are cost burdened.ⁱⁱⁱ Through concentrated efforts and partnerships, *HousingNOLA* projects that 5,000 renter and homeownership opportunities could be created by 2021, which would bring the city in line with the national average for cost-burdened households. Affordable housing opportunities do not simply mean the creation of new units, energy efficiency practices could be used on historic housing stock and reduce the number of cost burdened households. Assuming that all of projected opportunities will go toward low income households earning under 80% AMI (\$48,000 for a family of four^{iv}), there will still be a demand for 11,580 rental and homeownership units by 2025.^v Currently, the City does not have the resources to meet the demand for affordable housing for its service workers, musicians, culture bearers, and its most vulnerable populations. As such, *HousingNOLA* is now a tool for housing advocates and residents to call on local and state officials to identify dedicated revenue sources to preserve and expand 11,580 safe, affordable homes for all New Orleanians by 2025--using programs like CEIP.

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ⁱ A median income household in Louisiana spends on average 3.6% of their salary on electricity costs. Nationwide, median income households spend on average 2.5% of their salary on electricity costs.

ⁱⁱ Source: U.S. Energy Information Administration Annual Energy Review 2011. Table 1.6

ⁱⁱⁱ U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, Gross Rent as a Percentage of Household Income in the Past 12 Months.

^{iv} 2015 Area Median Income (AMI) Limits, https://www.road2la.org/SRPP/Docs/SRPP/rental-docs/2015_SRPPAreaMedianIncomeLimits_FINAL_20150319.pdf Accessed December 2015.

^v See http://www.housingnola.com/main/preliminary_report for full Demand Model methodology.